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U.S.D.C., Eastern District of New York

EXHIBIT G

Consumer Financial Protection Bureau Enforcement Action Against Capital One

Source: CFPB Press Release (Jan. 14, 2025)

<https://www.consumerfinance.gov/about-us/newsroom/cfpb-sues-capital-one-for-cheating-consumers-out-of-more-than-2-billion-in-interest-payments-on-savings-accounts/>

Key Excerpt from CFPB Press Release

> “The Consumer Financial Protection Bureau (CFPB) sued Capital One, N.A., and its parent holding company, Capital One Financial Corp., for cheating millions of consumers out of more than \$2 billion in interest. The CFPB alleges that Capital One promised consumers that its flagship ‘360 Savings’ account provided one of the nation’s ‘best’ and ‘highest’ interest rates, but the bank froze the interest rate at a low level while rates rose nationwide. Around the same time, Capital One created a virtually identical product, ‘360 Performance Savings,’ that differed from 360 Savings only in that it paid out substantially more in interest—at one point more than 14 times the 360 Savings rate. Capital One did not specifically notify 360 Savings accountholders about the new product, and instead worked to keep them in the dark about these better-paying accounts. The CFPB alleges that Capital One obscured the new product from its 360 Savings accountholders and cost millions of consumers more than \$2 billion in lost interest payments.”

CFPB Director Rohit Chopra stated:

> “The CFPB is suing Capital One for cheating families out of billions of dollars on their savings accounts. Banks should not be baiting people with promises they can’t live up to.”

Statutory Basis

The CFPB alleges Capital One violated the following laws:

Truth in Savings Act (12 U.S.C. §§ 4301–4313) — by misrepresenting that its “360 Savings” account carried one of the highest variable interest rates while secretly freezing it at 0.30%.

Consumer Financial Protection Act (12 U.S.C. § 5531) — prohibiting unfair, deceptive, or abusive acts or practices in consumer financial services.

Enforcement Action

The CFPB’s lawsuit seeks to:

Stop Capital One’s unlawful conduct.

Provide redress for harmed consumers.

Impose civil money penalties to be paid into the CFPB’s victims relief fund.

Judicial Relevance

While this enforcement action concerns Capital One’s savings accounts, its significance here lies in establishing Defendant’s pattern of deception and concealment in consumer financial products.

Just as Capital One concealed material facts about interest rates in its savings accounts, Plaintiff alleges Capital One conceals material facts about ownership of securitized credit card receivables.

Both cases involve misrepresentations about account terms for the purpose of generating additional profit.

The CFPB has already alleged harm to millions of consumers totaling more than \$2 billion, confirming the systemic nature of Capital One’s misconduct.

Application to Plaintiff's Case

Exhibit G reinforces Plaintiff's request for discovery into Capital One's credit card securitization practices. Specifically, it strengthens Plaintiff's demand for:

1. Production of Pooling & Servicing Agreements (PSAs).
2. Documentation of trust assignment chains for receivables.
3. Disclosure of securitization practices as reflected in Defendant's SEC filings.

Given Capital One's proven willingness to mislead consumers in one product line, it is reasonable — and necessary — for this Court to scrutinize Defendant's claims of ownership and standing in this case.

Conclusion:

Exhibit G is submitted to demonstrate that Defendant's deceptive conduct is not hypothetical but has already been documented by federal regulators. This record of misconduct underscores the necessity of judicial oversight and discovery in the present matter.